

Message Text

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TAGS: PFOR, PINT, IT

SUBJECT: AGNELLI ON THE LIRA CRISIS

1. NEW SOCIALIST-ORIENTED DAILY LA REPUBBLICA, JANUARY 23, CARRIES SHORT INTERVIEW WITH CONFINDUSTRIA PRESIDENT AGNELLI ON THE CRISIS OF THE LIRA. AGNELLI WAS ASKED TO STATE VIEWS OF INDUSTRY AND REPLIED AS FOLLOWS:

2. CRISIS WAS NO SURPRISE, IN VIEW OF POOR COMPETITIVE SITUATION OF ITALIAN INDUSTRY, BUT SO "VIOLENT" A LOSS OF RESERVES WAS.

3. HE FAVORS A POLICY OF INDUSTRIAL EXPANSION, BUT IN VIEW OF PRESENT IMBALANCE IN INTERNATIONAL PAYMENTS, CONSIDERS MEASURES OF MONETARY AUSTERITY ALMOST INEVITABLE. AN IMBALANCE OF PAYMENTS IS TOLERABLE AS LONG AS NECESSARY INTERNATIONAL CREDIT IS AVAILABLE. AGNELLI IS HOPEFUL THAT US AND GERMANY WILL PROVIDE IT, EVEN THOUGH THESE ARE THE VERY COUNTRIES MOST ALARMED OVER ITALIAN POLITICAL SITUATION.

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4. AGNELLI DOES NOT THINK A POLICY OF AUSTERITY WOULD BE ACCEPTABLE TO THE WORKERS. TO MAKE IT SUCH, "... IT IS NECESSARY TO WIDEN THE BASE OF SUPPORT. A WEAK PARLIAMENTARY MAJORITY, LACKING THE SUPPORT OF THE POLITICAL FORCES WHO DIRECTLY REPRESENT THE WORKERS WOULD NOT ACCOMPLISH MUCH UNDER PRESENT CIRCUMSTANCES."

5. ASKED DIRECTLY WHETHER HE FAVORED INCLUDING THE PCI IN THE GOVERNMENT'S PARLIAMENTARY MAJORITY, AGNELLI REPLIED: "I DO NOT THINK THAT, BUT (MEAN) A FORM OF SUPPORT AND SUBSTANTIAL APPROVAL. AND I THINK THAT IT IS ABOVE ALL NECESSARY TO ADOPT A POLICY OF GREAT REFORM. ONLY IN THIS MANNER CAN ONE ASK SACRIFICES OF THE WORKERS."

6. COMMENT: IN AN EARLIER INTERVIEW GIVEN LA REPUBBLICA ON THE CRISIS, AGNELLI HAD MADE CLEAR THAT HE PREFERRED EARLY ELECTIONS TO THE FORMATION OF A WEAK GOVERNMENT. THIS INTERVIEW IS NOT NECESSARILY IN CONFLICT WITH THAT VIEW, BUT MARKS THE FIRST TIME THAT HE HAS SUBSCRIBED TO THE NEED TO ASSOCIATE THE PCI TO THE PARLIAMENTARY MAJORITY, ESSENTIALLY THE SAME VIEW WAS EXPRESSED LAST WEEK (JAN. 17) BY AGNELLI'S BROTHER UMBERTO WHO CALLED FOR A GOVERNMENT OF NATIONAL EMERGENCY IN WHICH ALL MAJOR ELEMENTS, INCLUDING THE PCI, WOULD PARTICIPATE. ACCORDING TO ANSA, HE "STRESSED THAT THERE WAS NO RPT NO REASON TO DOUBT THE PCI'S CLAIMS WHEN IT CLAIMS IT BELIEVES IN THE LOGIC OF THE WESTERN WORLD, IN THE MARKET ECONOMY, AND THE PLURALISTIC SYSTEM." VOLPE

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